

*Appropriation  
(Budget)*

FOR RELEASE AT 7:00 P.M., EDT  
Tuesday, August 28, 1956.

JOINT STATEMENT BY THE SECRETARY OF THE TREASURY  
AND THE DIRECTOR OF THE BUREAU OF THE BUDGET  
ON THE  
MID-YEAR BUDGET REVIEW

It is gratifying to report that our mid-year review indicates that we will have a balanced budget for a second successive year. The surplus for the fiscal year 1956 amounted to \$1,800 million. The surplus for the fiscal year 1957 is estimated at \$700 million as against an estimated surplus of \$400 million last January. Since this estimate is made before two full months of the current year have passed, we will know much better as the year progresses what our actual surplus and future prospects may be. We will continue to exert every effort, as we have in the past, to improve the efficiency of operations, eliminate waste, and obtain a full dollar value for every dollar spent by every department of the Government.

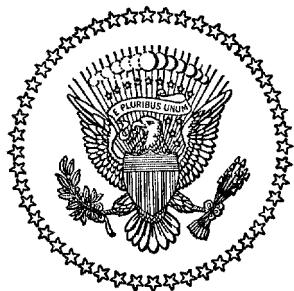
A comparison between the fiscal year 1953 and the current estimates for 1957, in millions, is as follows:

	Estimated		
	1953	1957	Change
Receipts .....	\$64,800	\$69,800	\$ + 5,000
Expenditures .....	<u>74,300</u>	<u>69,100</u>	<u>- 5,200</u>
Net improvement, 1957 over 1953 .....		10,200	
Deduct 1953 deficit .....		<u>9,500</u>	
Net surplus, estimated for 1957.....		700	

It is clear that even with higher tax receipts from a prosperous economy the present favorable budget position would not have been possible without a very substantial cut of over \$5 billion in Government spending between 1953 and 1957, as estimated. This has been accomplished while we have continually strengthened our Nation's defenses and improved our civilian services.

No family can continue to live largely beyond its means. It was even worse for the Government to do so. The turn has now been made and we believe that our Government is firmly on a pay-as-you-go basis, provided our policies receive real congressional and public support.

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*The 1957*  
FEDERAL BUDGET  
*Midyear Review*

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BUREAU OF THE BUDGET  
*Executive Office of the President*

AUGUST 28, 1956

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## REVIEW OF THE 1957 BUDGET

A balanced budget is anticipated for the fiscal year 1957. This is the second successive year in which the budget will be balanced.

TABLE 1  
BUDGET SUMMARY  
[Fiscal years. In billions]

	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate <sup>1</sup>
Receipts-----	\$64. 8	\$64. 7	\$60. 4	\$68. 1	\$69. 8
Expenditures-----	74. 3	67. 8	64. 6	66. 4	69. 1
Surplus (+) or deficit (-)-----	-9. 4	-3. 1	-4. 2	+1. 8	+0. 7

<sup>1</sup> The 1957 estimates are not entirely comparable to prior years because the new pay-as-you-build highway program puts highway tax receipts and expenditures in a new trust fund; these amounts are not in the budget totals for 1957. (See note 2, p. 30.)

The budget surplus for the fiscal year 1956 was applied principally to reduce the public debt to \$272.8 billion, with some increase in the Treasury cash balance.

This review of the 1957 budget presents revised budget estimates for the current fiscal year. The revisions take into account congressional action and other developments since January, when the budget for the fiscal year 1957 was transmitted to the Congress by the President.

**Comparison with the January budget.** In the light of increased business activity and higher personal incomes, the current estimate of 1957 budget receipts is \$4.3 billion higher than the comparable January estimate of \$65.5 billion (as shown in table 11, p. 25). Those Federal excise taxes which are now deposited in a trust fund as a result of the new highway legislation have been eliminated from the January and the current estimate of budget receipts. Both estimates of 1957 budget expenditures have likewise been made comparable by eliminating the Federal-aid highway expenditures which are now trust fund transactions.

Budget expenditures are now estimated to be \$4.0 billion greater than was anticipated in January, principally due to the following:

\$2,406 million increase in Commodity Credit Corporation expenditures because of larger crop yields, higher support levels, and greater cost of new legislation including the soil bank.

\$453 million additional for the military functions of the Department of Defense, reflecting increases over the original estimates

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of expenditures for military construction, research and development, and major procurement.

- \$378 million increase for the Post Office Department; the President's recommendation for postal rate increases was not enacted.
- \$229 million increase in the Government's payment to the civil service retirement and disability fund, which will make the Government's payment equal to the aggregate amount paid into the fund by employees in 1957.
- \$199 million increase for the Housing and Home Finance Agency, mainly because of smaller sales of mortgages.
- \$197 million for the Treasury Department, chiefly because of increased interest charges and a larger estimate of claims upon the Government on the basis of more recent experience.
- \$181 million for increased public assistance grants to the States and other programs of the Department of Health, Education, and Welfare. The failure of the Congress to enact legislation for general school construction, as recommended by the President in January, gives a partly offsetting decrease of \$150 million.

**Federal Government receipts from and payments to the public** are shown in table 2. These figures—consolidating the budget, trust fund, and other Federal financial transactions—measure the impact on our economy of Government receipts and expenditures as a whole.

For the 2 years 1956 and 1957 combined, the Federal Government's receipts from the public are estimated to exceed its payments to the public by \$8.2 billion. This will make up the \$8.2 billion cumulative excess of payments to the public for the 3 fiscal years 1953-55.

For the fiscal year 1957, most of the difference between the estimated excess of receipts from the public of \$3.7 billion and the estimated budget surplus of \$0.7 billion represents net receipts (e. g., additions to the reserves) of the old-age and survivors insurance, highway, and other trust funds. Further details are given in table 14 on page 28.

**TABLE 2**  
**FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO**  
**THE PUBLIC**  
[Fiscal years. In billions]

	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate
Receipts from the public. -----	\$71. 5	\$71. 6	\$67. 8	\$77. 1	\$80. 8
Payments to the public. -----	76. 8	71. 9	70. 5	72. 6	77. 2
Excess of receipts (+) or pay- ments (-)-----	--5. 3	-0. 2	-2. 7	+4. 5	+3. 7

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New authority to incur financial obligations is the form in which the Congress takes action on the budget. The granting of this authority, usually through appropriations, must precede all budget expenditures. New obligational authority already enacted by the Congress for the fiscal year 1957 amounts to \$68.8 billion. Additional supplemental authorizations will be required during the next session of the Congress to cover the costs of new legislation for which funds have not yet been provided and to cover the requirements of a few programs which are running higher than had been expected. Including anticipated supplemental appropriations, the total new authority for the fiscal year 1957 is estimated at \$69.7 billion, an increase of \$4.3 billion over the estimate in the January budget.

New obligational authority for the military functions of the Department of Defense is now estimated at \$36.4 billion, an increase of almost \$1.5 billion over the January estimate. Part of this increase resulted from a supplemental appropriation request made by the President in March. Almost \$1 billion of the increase came about through congressional action without any budget request. At the same time, however, the Congress decreased the military portion of the Mutual Security Program by approximately the same amount.

The new obligational authority enacted for the Commodity Credit Corporation was \$2.1 billion more than the January estimate. The Congress also enacted additional borrowing authority of \$450 million for the farm housing loan program of the Department of Agriculture and \$500 million for flood indemnity insurance as against \$100 million recommended by the President in January to start the latter program. A substantial decrease from the January estimates, \$376 million, is the result of the failure of the Congress to enact the President's recommendation for general aid to the States for school construction. Other changes from the January estimates appear in tables 9 and 10, pages 24 and 25.

The total amounts of new obligational authority for each year since 1953 are:

	<i>In billions</i>
1953 actual.....	\$80.3
1954 actual.....	62.8
1955 actual.....	57.1
1956 actual.....	62.1
1957 current estimate <sup>1</sup> .....	69.7

<sup>1</sup> Not comparable to prior years because of the new highway trust fund (see note 2, p. 30).

For the fiscal year 1957, the estimated new authority to incur obligations is just within the amount of estimated budget receipts. In the preceding 3 years as well, the new authority was kept below the level of revenues. Thus for the 4 years ending June 30, 1957, budget receipts will be over \$11 billion more than the amount of

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enacted new obligational authority which must precede budget expenditures.

Of the \$7.6 billion increase in new authority from 1956 to 1957, \$4.4 billion is for major national security programs. These programs consist of the military functions of the Department of Defense, the military portion of the Mutual Security Program, atomic energy, stockpiling and defense production expansion (the economic portion of the Mutual Security Program is classified under international programs). The next largest increase, \$1.8 billion, is for agricultural activities. Other substantial increases are for labor and welfare programs (\$323 million), general government (\$325 million), and interest (\$304 million). The shift of the Federal-aid highway program from the budget totals in 1957 tends to conceal a large increase (\$929 million) in the new obligational authority for other programs in the commerce and housing category.

**Budget receipts** in the fiscal year 1957 are again expected to break all records as a result of the continued growth of our national economy. The largest increase is expected in individual income taxes, reflecting the record high level of the Nation's personal incomes.

The estimates of budget receipts are based on present tax laws.

TABLE 3  
BUDGET RECEIPTS  
[Fiscal years. In billions]

	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate <sup>1</sup>
Individual income taxes-----	\$32.8	\$32.4	\$31.7	\$35.3	\$37.5
Corporation income taxes-----	21.6	21.5	18.3	21.3	21.5
Excise taxes-----	9.9	10.0	9.2	10.0	19.3
All other receipts (net)-----	3.6	4.1	4.7	5.2	5.4
Refunds of receipts (-)-----	-3.1	-3.4	-3.4	-3.7	-3.9
Total-----	64.8	64.7	60.4	68.1	169.8

<sup>1</sup> Excludes certain Federal excise taxes, estimated at \$1.5 billion, to be deposited in a trust fund to finance highway construction (see note 2, p. 30).

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**Budget expenditures** in the fiscal year 1957 are estimated to be \$2.7 billion more than the \$66.4 billion of 1956, but \$5.2 billion less than in 1953.

TABLE 4  
BUDGET EXPENDITURES  
[Fiscal years. In billions]

	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate
Major national security-----	\$50.4	\$46.9	\$40.6	\$40.5	\$40.8
Interest-----	6.6	6.5	6.4	6.9	7.2
Agriculture-----	2.9	2.6	4.4	4.9	5.7
Veterans-----	4.3	4.3	4.5	4.8	4.8
Labor and welfare-----	2.4	2.5	2.6	2.8	3.0
All other-----	7.7	5.1	6.1	6.6	<sup>1</sup> 7.5
Total-----	74.3	67.8	64.6	66.4	<sup>1</sup> 69.1

<sup>1</sup> Not comparable to prior years because of the new highway trust fund (see note 2, p. 30).

About 60 percent of the estimated 1957 budget expenditures are for the major national security programs. Interest payments, primarily on the national debt, comprise the next largest expenditure category, amounting to over 10 percent of the 1957 budget. Expenditures for agricultural programs represent more than 8 percent of estimated budget expenditures for 1957. Federal spending for agriculture has risen sharply during the past few years and is now estimated at almost double the 1953 level. Veterans' benefits continue an upward trend from \$4,757 million in 1956 to \$4,827 million estimated for 1957. Budget expenditures for the labor and welfare programs of the Government have also risen substantially, and in 1957 will be approximately 25 percent greater than in 1953.

**ANALYSIS OF BUDGET EXPENDITURES AND OF NEW  
OBLIGATIONAL AUTHORITY BY MAJOR FUNCTION**

In the following pages the various activities and agencies of the Federal Government are grouped and discussed in terms of nine major functions. Tables 5 and 6 show the amounts of new obligational authority and expenditures for these major functions for each of the fiscal years 1953 through 1957.

TABLE 5

## NEW OBLIGATIONAL AUTHORITY

## By major function

[Fiscal years. In millions]

Function	1953 actual	1954 actual	1955 actual	1956 actual	Recom- mended to date <sup>1</sup>	1957		Total (col. 6 plus col. 7)
						(5)	(6)	
(1)	(2)	(3)	(4)					
Major national security.....	\$57,298	\$38,901	\$33,656	\$35,938	\$40,131	\$40,127	\$200	\$40,327
International affairs and finance.....	2,149	1,838	2,304	2,117	2,355	2,231	-----	2,231
Veterans' services and benefits.....	4,132	4,272	4,369	4,823	4,819	4,807	54	4,861
Labor and welfare.....	2,456	2,429	2,614	2,861	2,858	2,910	274	3,184
Agriculture and agricultural re- sources.....	1,333	4,010	2,672	3,322	4,430	5,093	10	5,103
Natural resources.....	1,402	1,201	966	1,057	1,142	1,158	29	1,187
Commerce and housing <sup>2</sup> .....	3,587	2,570	2,919	3,527	2,239	3,471	100	3,571
General government.....	1,368	1,074	1,188	1,573	1,640	1,862	36	1,898
Interest.....	6,583	6,470	6,438	6,852	7,156	7,156	-----	7,156
Allowance for contingencies.....							225	225
Total <sup>2</sup> .....	80,308	62,765	57,076	62,070	66,780	68,815	923	69,743

<sup>1</sup> Includes 1957 Federal Budget recommendations and subsequent amendments transmitted to the Congress.<sup>2</sup> Fiscal year 1957 not comparable to prior years because of new highway trust fund (see note 2, p. 30).TABLE 6  
BUDGET EXPENDITURES

## By major function

[Fiscal years. In millions]

Function	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate <sup>1</sup>
Major national security.....	\$50,363	\$46,904	\$40,626	\$40,478	\$40,824
International affairs and finance.....	2,216	1,732	2,181	1,852	2,144
Veterans' services and benefits.....	4,298	4,256	4,457	4,757	4,827
Labor and welfare.....	2,426	2,485	2,552	2,776	3,001
Agriculture and agricultural resources.....	2,938	2,557	4,411	4,914	5,744
Natural resources.....	1,364	1,220	1,081	961	1,133
Commerce and housing <sup>2</sup> .....	2,612	909	1,622	2,165	1,970
General government.....	1,474	1,239	1,201	1,631	2,093
Interest.....	6,583	6,470	6,438	6,852	7,156
Allowance for contingencies.....					200
Total <sup>2</sup> .....	74,274	67,772	64,570	66,386	69,093

<sup>1</sup> Includes estimated expenditure from 1957 appropriations anticipated for later transmission to the Congress.<sup>2</sup> Fiscal year 1957 not comparable to prior years because of new highway trust fund (see note 2, p. 30).

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MAJOR NATIONAL SECURITY

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual.....	\$57,298	\$50,363
1954 actual.....	38,901	40,904
1955 actual.....	33,656	40,626
1956 actual.....	35,938	40,478
1957 current estimate.....	40,327	40,824

For the fiscal year 1957 the new authority to incur obligations for the major national security programs is estimated \$4.4 billion greater than the amount enacted for 1956. Nevertheless, the new authority is still somewhat below the estimated level of spending in 1957. Expenditures in 1957 are expected to total \$346 million more than in 1956.

**Department of Defense—Military Functions.** Estimated expenditures for the Armed Forces this fiscal year are \$36.0 billion. This is \$314 million more than the fiscal year 1956 which itself had increased \$152 million over 1955. The forces supported by these expenditures will be stronger and more effective than in any previous year in our peacetime history.

Expenditure increases in 1957 over 1956 are estimated for operation and maintenance, \$585 million; reserve components, \$212 million; research and development, \$96 million (exclusive of personnel, procurement, and construction costs which are classified separately); and establishmentwide activities, \$164 million. Some reductions are expected in expenditures for major procurement, \$562 million; military personnel, \$56 million; and military construction, \$26 million.

Operation and maintenance costs are increasing due to the growing number of complex new weapons and techniques. Despite savings from improved efficiency, these costs can be expected to continue rising as more modern equipment is placed in the hands of our military forces.

Continued emphasis is being given to the reserve components, for which expenditures have been rising steadily. In the fiscal year 1957, expenditures are estimated to be \$212 million higher than in 1956, and more than twice the \$522 million spent for this purpose in 1953. Part

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Established 6-month training program.

Expenditures for military research and development continue to rise as added emphasis is given to aircraft and guided-missile developments, and 1957 will be the highest year in our history. The figures shown in the table on page 10 also include certain research and development expenditures in the categories of military personnel, major procurement, and military construction. For the fiscal year 1957, it is estimated that funds programmed for research and development plus funds programmed for activities directly supporting the research, development, test and evaluation programs will aggregate about \$5.2 billion. This may be compared with an estimate of \$3.4 billion in the fiscal year 1955 and \$3.8 billion in the fiscal year 1956 for the same purposes.

An increase in the amount of retired pay accounts for a great part of the rise in expenditures for establishmentwide activities between 1956 and 1957.

Major procurement and production expenditures in 1957 are estimated at \$11,832 million. In line with the policy of modernizing our forces, the types of items procured are continuing to change. For example, expenditures for guided missiles will increase markedly while expenditures for conventional ammunition and support vehicles will decline.

Expenditures for military personnel are decreasing slightly with a lower average military strength planned for the fiscal year 1957.

Expenditures of \$1,974 million for military construction in 1957 provide for further expansion of our continental air defense and aircraft warning systems and guided missile facilities, and for conversion of existing air bases and initiation of construction at new air bases to accommodate B-52 bombers. In the fiscal year 1957 military construction will proceed at over 600 locations throughout the world.

The new authority to incur obligations for the fiscal year 1957 amounts to \$36.4 billion, including an anticipated supplemental appropriation of \$200 million for recently enacted benefits for military personnel and their dependents. In addition, \$400 million was made available by transfer from Department of Defense revolving funds. The \$36.4 billion of new authority for 1957 is \$3.1 billion more than for 1956. New authority for the military functions of the Department of Defense is estimated to exceed expenditures by a relatively small amount, the first time this will have occurred since the fiscal year 1953.

*Budget expenditures*

[Fiscal years. In millions]

Program	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate
Department of Defense—Military Functions:					
Military personnel (pay, subsistence, and individual clothing)-----	\$11, 556	\$10, 961	\$10, 643	\$10, 390	\$10, 334
Operation and maintenance (equipment, spare parts, facilities, medical care, supply systems)-----	10, 379	9, 356	7, 905	8, 475	9, 060
Major procurement and production (aircraft, ships, vehicles, weapons, guided missiles, etc.)-----	17, 123	15, 958	12, 997	12, 394	11, 832
Military construction-----	1, 913	1, 706	1, 582	2, 000	1, 074
Reserve components-----	522	584	717	842	1, 054
Research and development-----	1, 412	1, 385	1, 397	1, 459	1, 555
Establishment wide activities (retired pay, Office of Secretary of Defense, interdepartmental projects)-----	759	771	654	694	858
Working capital (revolving) funds-----	--54	-386	-361	-568	-667
Total, Department of Defense-----	43, 610	40, 335	35, 534	35, 686	36, 000
Mutual Security Program—military-----	-----	-----	-----	-----	-----
3, 954	3, 629	2, 292	2, 551	2, 500	
Atomic Energy Commission-----	1, 791	1, 895	1, 857	1, 654	1, 980
Stockpiling and defense production expansion-----	1, 008	1, 045	944	587	344
Total-----	50, 363	46, 904	40, 626	40, 478	40, 824

**Mutual Security Program—military.** Expenditures for military equipment and training for other countries during the fiscal year 1957 are estimated to be continued at about the same \$2.5 billion level as in 1956. Although the \$2.0 billion of new obligational authority enacted for 1957 is \$1.0 billion more than for 1956, it is about \$0.5 billion less than the estimated 1957 expenditures. The total of unexpended balances of appropriations enacted for prior years will continue to be reduced, as deliveries proceed on certain items which have been on order for a considerable period of time. (The economic portion of

the Mutual Security Program is discussed later in the international affairs and finance section of this review.)

**Atomic Energy Commission.** Expenditures for the fiscal year 1957 are estimated to rise by \$326 million to \$1,980 million, the highest total in history. Operating expenditures will increase from \$1,365 million in 1956 to \$1,667 million in 1957, while construction expenditures will remain at approximately the 1956 levels. There will be increased spending for the procurement of larger amounts of uranium concentrates, for heightened activity in the development of atomic reactors for military propulsion (naval ships and military aircraft), and for civilian atomic power.

New authority to incur obligations in 1957 is estimated at \$1,958 million. This is \$779 million higher than in 1956, when a large portion of the program was financed from appropriations for previous years.

**Stockpiling and defense production expansion.** Net expenditures for stockpiling and expansion of defense production will decline by an estimated \$243 million in 1957 from the 1956 level of \$587 million, primarily because several large loans made by the Reconstruction Finance Corporation under authority of the Defense Production Act are expected to be repaid as the borrowers conclude arrangements for private financing.

No new obligational authority is required for stockpiling and expansion of defense production in the fiscal year 1957 as previous year appropriations are expected to be adequate to cover current operations.

#### INTERNATIONAL AFFAIRS AND FINANCE

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual.....	\$2,149	\$2,216
1954 actual.....	1,838	1,732
1955 actual.....	2,304	2,181
1956 actual.....	2,117	1,852
1957 current estimate.....	2,231	2,144

Budget expenditures for international affairs and finance programs in the fiscal year 1957 are now estimated to be \$292 million more than in 1956.

The greatest part of this increase is for the economic portion of the Mutual Security Program, which will rise to \$1,750 million, \$162 million above the 1956 level. These increased expenditures are mainly for the less developed areas of the world, especially in the Far East,

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where the high level of obligations undertaken in the fiscal years 1955 and 1956 is expected to be reflected in 1957 expenditures. (The military portion of the Mutual Security Program has been discussed previously with major national security programs.)

Smaller increases in expenditures in 1957 will be for (1) shipments of agricultural commodities by the Commodity Credit Corporation for emergency assistance to other countries; (2) the nonrecurring capital subscription to the new International Finance Corporation; (3) the general strengthening of the Department of State; (4) expanding the programs of the United States Information Agency; and (5) construction on the Inter-American Highway.

New obligational authority for international activities for the fiscal year 1957 is \$114 million more than for 1956. Increases are for the economic portion of the Mutual Security Program (which is estimated to rise from \$1,681 million to \$1,787 million), the Department of State (from \$147 million to \$220 million, including an increase from \$2 million to \$45 million for the new State Department building), and the United States Information Agency (from \$87 million to \$113 million). These are offset in part by decreases of \$63 million for the Inter-American Highway and \$35 million for the United States subscription to the International Finance Corporation; authority for both of these programs was provided in the fiscal year 1956 and no additional amount is required for 1957.

#### VETERANS' SERVICES AND BENEFITS

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual	\$4, 132	\$4, 298
1954 actual	4, 272	4, 256
1955 actual	4, 369	4, 457
1956 actual	4, 823	4, 757
1957 current estimate	4, 861	4, 827

Estimated budget expenditures for veterans' programs in the fiscal year 1957 are \$70 million more than in 1956. Major increases occur in expenditures for compensation and pensions, hospital construction, and readjustment benefits, partly offset by a substantial decrease in expenditures for national service life insurance.

Estimated expenditures of \$2,890 million for compensation and pensions are \$94 million higher than in 1956, covering both the increased survivors' benefits provided by recently enacted legislation and the normal increase in the number of beneficiaries, particularly those receiving World War I pensions. Readjustment benefit expenditures, estimated at \$837 million, represent an increase of \$16

million over 1956 due to anticipated higher enrollments and rates of payment for veterans of the Korean conflict. Veterans' hospital and medical programs, including construction, will require \$815 million, an increase of \$25 million over 1956. Expenditures for insurance programs are estimated at a normal peacetime level of \$45 million, a drop of \$62 million from 1956 when a nonrecurring reimbursement was made to the national service life insurance fund for missing-in-action cases.

Total new authority to incur obligations in 1957, including an anticipated supplemental appropriation for readjustment benefits, is currently estimated to be \$4,861 million, \$38 million more than in 1956.

LABOR AND WELFARE

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual	\$2, 456	\$2, 426
1954 actual	2, 429	2, 485
1955 actual	2, 614	2, 552
1956 actual	2, 861	2, 776
1957 current estimate	3, 184	3, 001

Largely because of increases in public assistance payments, medical research, hospital construction, and the school lunch program, the total of labor and welfare expenditures is expected to be \$225 million greater than in 1956.

Public assistance grants to the States are estimated at \$1,571 million, an increase of \$116 million over 1956, as a result of the added costs of the new legislation authorizing a higher Federal share of public assistance payments. Expenditures for medical research are estimated to be \$70 million more than the \$100 million spent in 1956, and hospital construction grants are rising by \$27 million over the \$56 million spent in 1956. The school lunch program is estimated to increase by \$17 million over the \$83 million of expenditures in 1956, reflecting the increased appropriations which were enacted.

A decrease of \$97 million is estimated in expenditures for the Federal-State unemployment compensation program. This reduction results from the fact that a payment to the unemployment trust fund was made in the fiscal year 1956 to cover 2 years' transactions (1955 and 1956), so that henceforth the payments can be made in the year in which they accrue rather than at the beginning of the following year.

New authority to incur obligations for labor and welfare programs for the fiscal year 1957 is now estimated at \$3,184 million, an increase of \$323 million over 1956. The 1957 amount includes an anticipated

supplemental appropriation of \$274 million for the recently enacted law raising the Federal share of public assistance payments. Most of the increased new obligational authority enacted for labor and welfare will finance increased expenditures in 1957. Additional increases in new authority, which will affect expenditures mainly in years after 1957, are for (1) assistance to schools in federally affected areas (\$124 million for 1956 to \$222 million for 1957) as a result of liberalizing amendments and the extension for 2 years of construction aid, and (2) the new program of construction grants for waste treatment facilities, for which \$50 million was enacted.

AGRICULTURE AND AGRICULTURAL RESOURCES

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual.....	\$1,333	\$2,936
1954 actual.....	4,010	2,557
1955 actual.....	2,672	4,411
1956 actual.....	3,322	4,914
1957 current estimate.....	5,103	5,744

Budget expenditures for agricultural programs in the fiscal year 1957 are now estimated to be \$830 million more than in 1956. This is a net increase resulting from (1) a rise of about \$1.0 billion for the new soil bank program, (2) a decline of \$320 million for the regular Commodity Credit Corporation price support and commodity purchase program, and (3) an increase of \$150 million for all other agricultural activities of the Government.

The net expenditures of \$3.7 billion in 1956 for the regular price support and commodity purchase program were unusually high, and are estimated to decline to \$3.4 billion in 1957. This reduction reflects an anticipated lower volume of loans and purchases this year as well as an anticipated increase in Commodity Credit Corporation receipts from agricultural exports. The lower volume of loans and purchases is already evident in tobacco as a result of the cutback in tobacco production during the past crop year.

Increases in other agricultural expenditures in 1957 include an estimated \$86 million (from \$179 million to \$265 million) for removal of surplus agricultural commodities through purchase of farm products and their distribution to eligible outlets. Net expenditures for Department of Agriculture loan programs are expected to rise by \$45 million to \$451 million in 1957. The increase will be mainly in operating loans of the Farmers' Home Administration. Smaller increases occur among a large number of agricultural activities.

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New authority to incur obligations for agricultural programs for the fiscal year 1957 is \$5.1 billion, \$1.8 billion more than enacted for 1956. Restoration of capital impairment of the Commodity Credit Corporation for losses on price support programs accounts for over \$0.9 billion of the increase. In addition, new borrowing authority of \$2.5 billion was enacted for the Corporation for 1957 as compared with \$2.0 billion enacted for 1956. The need for additional borrowing authority in 1957 resulted from continued high production of crops which placed heavy demands on CCC during the past fiscal year and from the requirement that the soil bank program be financed with CCC funds until June 30, 1957. The 1957 figure for new obligational authority includes an anticipated supplemental appropriation of \$10 million for the program to improve land use in the Great Plains.

NATURAL RESOURCES

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual	\$1,402	\$1,364
1954 actual	1,201	1,220
1955 actual	966	1,081
1956 actual	1,057	961
1957 current estimate	1,187	1,133

Budget expenditures for natural resources in the fiscal year 1957 are estimated to be \$172 million more than in 1956.

The Corps of Engineers and the Bureau of Reclamation are estimated to spend \$601 million in the fiscal year 1957 for flood control, reclamation, and multiple-purpose power projects, an increase of \$73 million over 1956. This increase results largely from the 12 new Bureau of Reclamation projects and the 57 new Corps of Engineers flood control projects to be started in 1957, and from continued progress on projects started in 1956. (Navigation projects of the Corps of Engineers are discussed later in the commerce and housing section.) Expenditures of the power marketing agencies of the Department of the Interior are estimated at \$43 million, about the same as 1956.

Gross expenditures of the Tennessee Valley Authority are estimated at \$273 million in 1957, while receipts from operations, largely from the sale of power, are estimated at \$266 million. The resulting net budget expenditures of \$7 million in 1957 compare with net receipts of \$9 million in 1956. The change of \$16 million in net expenditures between 1956 and 1957 reflects the starting of construction in 1957 on a new navigation lock and on 6 new steam-electric units in existing plants as well as progress on construction under way.

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Estimated expenditures of \$458 million in 1957 for public and Indian lands, national forests and parks, and fish and wildlife and mineral resources are \$104 million above the 1956 level. The largest part of this increase, \$48 million, represents the first year's expenditures for an interim \$92 million program established by new legislation, under which the Government will purchase limited quantities of minerals to help domestic mineral industries adjust from defense-stimulated needs to more normal market conditions. Other significant increases are for expansion of facilities of the National Park System and other construction, and for a newly established loan fund for the fishing industry.

New authority to incur obligations for 1957 for natural resource programs, including an anticipated supplemental appropriation of \$29 million for the minerals purchase program, is estimated to be \$1.2 billion. This amount is \$130 million over 1956, with the increase being mainly for construction and for the new programs discussed above.

**COMMERCE AND HOUSING**

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual	\$3, 587	\$2, 612
1954 actual	2, 570	909
1955 actual	2, 919	1, 622
1956 actual	3, 527	2, 165
1957 current estimate <sup>1</sup>	3, 571	1, 970

<sup>1</sup> Not comparable to prior years because of the new highway trust fund (see note 2, p. 30).

Net budget expenditures for commerce and housing programs in 1957 are estimated to be \$195 million less than in 1956, because of the shift of the Federal-aid highway program to a separately financed highway trust fund. While Federal-aid highway expenditures under the new legislation will be substantially higher than the actual 1956 budget expenditures of \$740 million, they are not included in the 1957 budget totals. (See note 2, p. 30.)

Net expenditures of the Housing and Home Finance Agency will increase by an estimated \$96 million to \$133 million, primarily because of continued expansion in the urban renewal and college housing programs and reduced receipts from sales of federally owned housing units. Net expenditures for veterans' housing loans by the Veterans Administration and for farm housing loans by the Department of Agriculture are expected to total \$145 million, an increase of \$93 million above 1956.

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Expenditures in 1957 by the Corps of Engineers and the St. Lawrence Seaway Development Corporation for navigation projects (including 61 river and harbor projects to be started by the Corps this year) will rise by an estimated \$80 million to \$223 million. (Flood control projects were discussed earlier in the natural resources section.) The Civil Aeronautics Administration is expected to spend an additional \$57 million, or a total of \$205 million, to improve airports and expand the capacity of the airways. Budget expenditures for the Post Office Department are estimated to increase by \$38 million to \$495 million, chiefly as a result of expanding mail volume and because postal rates have not as yet been raised. Net receipts from liquidation of outstanding loans of the Reconstruction Finance Corporation and from sales and operations of the Federal Facilities Corporation will be \$151 million lower than the 1956 level of \$173 million, because the bulk of the assets have now been sold; this means a corresponding overall increase in net budget expenditures.

In summary, commerce and housing expenditures apart from Federal-aid highways are estimated to show a net rise of \$545 million in the fiscal year 1957.

New obligational authority of \$3,571 million for 1957 includes an anticipated supplemental of \$100 million in borrowing authority for the special assistance functions of the Federal National Mortgage Association, because of the liberalized provisions of the Housing Act of 1956. The increase of \$44 million over the total enacted for 1956 occurs despite the reduction of \$885 million caused by the transfer of the Federal-aid highway program to the new highway trust fund.

The largest increases in new obligational authority were provided in the new laws authorizing flood indemnities by the Housing and Home Finance Agency (\$500 million) and enlarging greatly the program of farm housing loans and contributions by the Secretary of Agriculture (from \$5 million in 1956 to \$450 million in 1957).

GENERAL GOVERNMENT

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual-----	\$1,368	\$1,474
1954 actual-----	1,074	1,239
1955 actual-----	1,138	1,201
1956 actual-----	1,573	1,631
1957 current estimate-----	1,898	2,093

Expenditures for general government activities are estimated to rise by \$462 million in the fiscal year 1957.

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The largest single increase is \$292 million in the Federal payment to the civil service retirement and disability fund. The Federal payment of \$525 million in 1957 will be about equal to the aggregate amount paid into the fund by employees this year (for future annuities). In 1956, the Federal payment of \$233 million covered the Government's share of the benefit payments made to annuitants from the fund that year.

General Services Administration expenditures for property and records management are estimated to rise by \$74 million to \$241 million in 1957, primarily to speed modernization or replacement of Government buildings. Payment of claims is estimated to rise from \$228 million in 1956 to \$273 million in 1957, mainly because of claims arising out of the Texas City disaster.

The new obligational authority of \$1,898 million estimated for 1957 includes anticipated supplemental appropriations of \$28 million for the program for lease-purchase of public buildings and \$8 million for unemployment compensation payments to Federal employees. The increase of \$325 million over the amount of new authority enacted for 1956 is chiefly for the expenditure increases discussed above.

INTEREST

[In millions]

Fiscal year	New obligational authority	Net budget expenditures
1953 actual.....	\$6, 583	\$6, 583
1954 actual.....	6, 470	6, 470
1955 actual.....	6, 438	6, 438
1956 actual.....	6, 852	6, 852
1957 current estimate.....	7, 156	7, 156

Interest, primarily on the public debt, is now expected to require expenditures of \$304 million more in the fiscal year 1957 than in 1956. Although the public debt was reduced in 1956, and a further reduction is anticipated this fiscal year, interest rates in the market are higher, reflecting the current high level of economic activity. The higher market rates increase the amount of interest payable on new securities and on those issued to refinance maturing obligations.

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**SUMMARY OF BUDGET EXPENDITURES AND OF NEW  
OBLIGATIONAL AUTHORITY BY MAJOR AGENCY**

Since Congress acts separately on the budget proposals for each Government agency, and appropriates money for programs or activities to the agencies responsible for them, a summary of the budget by agency is presented in tables 7 and 8 for those interested in the results of congressional action on appropriation bills or in comparing agency budgets with those of prior years.

TABLE 7  
NEW OBLIGATIONAL AUTHORITY

*By major agency*

[Fiscal years. In millions]

Agency or organization unit <sup>1</sup>	1953 actual	1954 actual	1955 actual	1956 actual	1957			
					Recom- mended to date <sup>2</sup>	En- acted	Antici- pated for later trans- mission	Total (col. 6 plus col. 7)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Legislative and the judiciary.....	\$104	\$113	\$138	\$235	\$131	\$130	-----	\$130
Executive Office of the President.....	9	9	9	10	11	11	-----	11
Funds appropriated to the President:								
Mutual Security Program—military.....	4,096	3,193	1,204	1,022	3,000	2,018	-----	2,018
Mutual Security Program—economic.....	1,907	1,533	1,577	1,681	1,860	1,787	-----	1,787
Other.....	1	4	14	50	29	26	-----	26
Independent offices:								
Atomic Energy Commission.....	4,152	1,118	1,285	1,179	1,939	1,958	-----	1,958
Civil Service Commission.....	344	52	49	253	315	545	-----	545
Tennessee Valley Authority.....	336	189	120	27	5	5	-----	5
Veterans Administration.....	4,191	4,276	4,358	4,800	4,805	4,813	\$54	4,866
Other.....	370	525	874	501	687	627	-----	627
General Services Administration.....	317	163	533	709	245	236	28	265
Housing and Home Finance Agency.....	1,357	433	584	888	554	1,095	100	1,195
Department of Agriculture:								
Commodity Credit Corporation.....	303	2,707	1,500	2,186	3,200	3,700	-----	3,700
Other.....	1,207	1,576	1,340	1,412	1,518	2,170	10	2,180
Department of Commerce <sup>3</sup> .....	911	996	1,438	1,573	816	706	-----	706
Department of Defense:								
Military Functions.....	48,916	34,500	30,787	33,215	35,192	36,152	200	36,352
Civil Functions.....	598	529	468	640	641	696	-----	696
Department of Health, Education, and Welfare.....	1,934	1,916	2,010	2,108	2,148	2,223	274	2,497
Department of the Interior.....	590	596	491	514	661	616	29	646
Department of Justice.....	173	180	180	211	236	216	-----	216
Department of Labor.....	295	352	447	470	470	429	8	437
Post Office Department (net).....	660	420	363	473	148	498	-----	498
Department of State.....	241	144	131	149	242	224	-----	224
Treasury Department:								
Interest.....	6,583	6,470	6,438	6,851	7,156	7,156	-----	7,156
Other.....	696	664	700	875	736	746	-----	746
District of Columbia.....	18	16	30	30	36	33	-----	33
Allowance for contingencies.....							225	225
Total <sup>3</sup> .....	80,308	62,765	57,070	62,070	66,780	68,815	928	69,743

<sup>1</sup> See note 3, p. 30.

<sup>2</sup> Includes 1957 Federal Budget recommendations and subsequent amendments transmitted to the Congress.

<sup>3</sup> Fiscal year 1957 not comparable to prior years because of new highway trust fund (see note 2, p. 30).

## BUDGET EXPENDITURES

*By major agency*

[Fiscal years. In millions]

Agency or organization unit <sup>1</sup>	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate <sup>2</sup>
Legislative and the judiciary.....	\$89	\$87	\$96	\$124	\$161
Executive Office of the President.....	9	9	9	10	11
Funds appropriated to the President:					
Mutual Security Program—military.....	3,954	3,629	2,292	2,551	2,500
Mutual Security Program—economic.....	1,702	1,253	1,927	1,588	1,750
Other.....	127	400	162	271	• 2
Independent offices:					
Atomic Energy Commission.....	1,791	1,805	1,857	1,654	1,980
Civil Service Commission.....	346	50	47	253	544
Tennessee Valley Authority.....	184	238	172	• 9	7
Veterans Administration.....	4,333	4,249	4,405	4,731	4,846
Other.....	280	20	285	358	402
General Services Administration.....	1,108	806	973	524	644
Housing and Home Finance Agency.....	403	• 593	153	37	133
Department of Agriculture:					
Commodity Credit Corporation.....	1,943	1,526	3,414	3,784	4,500
Other.....	1,274	1,389	1,222	1,407	1,651
Department of Commerce <sup>3</sup> .....	1,063	1,000	1,077	1,281	650
Department of Defense:					
Military Functions.....	43,610	40,335	35,534	35,686	36,000
Civil Functions.....	813	605	548	573	654
Department of Health, Education, and Welfare.....	1,920	1,981	1,993	2,071	2,334
Department of the Interior.....	587	535	515	526	646
Department of Justice.....	171	183	182	216	214
Department of Labor.....	300	355	394	412	424
Post Office Department.....	659	312	356	457	495
Department of State.....	271	156	137	138	178
Treasury Department:					
Interest.....	6,583	6,470	6,438	6,851	7,156
Other.....	743	869	362	871	983
District of Columbia.....	12	13	22	22	31
Allowance for contingencies.....					200
Total <sup>4</sup> .....	74,274	67,772	64,570	66,386	69,003

<sup>1</sup> See note 3, p. 30.<sup>2</sup> Includes estimated expenditures from 1957 appropriations anticipated for later transmission to the Congress.<sup>3</sup> Fiscal year 1957 not comparable to prior years because of new highway trust fund (see note 2, p. 30).<sup>4</sup> Deduct, excess of repayments and collections over expenditures.

**COMPARISON OF CURRENT 1957 ESTIMATES WITH THE  
JANUARY BUDGET**

Tables 9 and 10 compare current estimates of new obligational authority and budget expenditures with the January budget figures for each of the major departments and agencies and for each major function. Table 11 compares current estimates of budget receipts by source with the corresponding January estimates.

TABLE 9

## 1957 CURRENT ESTIMATES COMPARED WITH JANUARY BUDGET ESTIMATES

*By major agency*

[In millions]

Agency or organization unit	New obligational authority			Budget expenditures		
	January estimate	Current estimate <sup>2</sup>	Increase (+) or decrease (-)	January estimate	Current estimate <sup>2</sup>	Increase (+) or decrease (-)
Legislative and the judiciary-----	\$128	\$130	+\$2	\$164	\$161	-\$3
Executive Office of the President-----	10	11	+1	10	11	+1
Funds appropriated to the President:						
Mutual Security Program—military-----	3,000	2,018	-982	2,500	2,500	-----
Mutual Security Program—economic-----	1,860	1,787	-73	1,792	1,750	-42
Other-----	10	26	+16	61	* 2	-63
Independent offices:						
Atomic Energy Commission-----	1,836	1,958	+122	1,945	1,980	+35
Civil Service Commission-----	315	545	+230	315	544	+229
Tennessee Valley Authority-----	74	5	-69	* 27	7	+34
Veterans Administration-----	4,850	4,866	+16	4,820	4,846	+26
Other-----	603	627	-36	418	402	-16
General Services Administration-----	218	265	+47	556	644	+88
Housing and Home Finance Agency-----	637	1,195	+558	* 60	133	+199
Department of Agriculture:						
Commodity Credit Corporation-----	1,650	3,700	+2,050	2,094	4,500	+2,406
Other-----	1,500	2,180	+680	1,567	1,651	+84
Department of Commerce <sup>1</sup> -----	775	706	-69	646	650	+4
Department of Defense:						
Military Functions-----	34,907	36,352	+1,445	35,547	36,000	+453
Civil Functions-----	665	696	+31	629	654	+25
Department of Health, Education, and Welfare-----						
2,654	2,497	-157	2,303	2,334	+31	
Department of the Interior-----	557	645	+88	597	646	+49
Department of Justice-----	236	216	-20	218	214	-4
Department of Labor-----	502	437	-65	492	424	-68
Post Office Department-----	120	498	+378	117	495	+378
Department of State-----	239	224	-15	167	178	+11
Treasury Department:						
Interest-----	7,066	7,156	+90	7,066	7,156	+90
Other-----	747	746	-1	876	983	+107
District of Columbia-----	35	33	-2	33	31	-2
Allowance for contingencies-----	250	225	-25	225	200	-25
Total <sup>1</sup> -----	65,406	69,743	+4,337	65,065	69,093	+4,028

<sup>1</sup> January estimates have been revised to exclude the Federal-aid highway program (see note 2, p. 30).<sup>2</sup> Includes 1957 appropriations or estimated expenditures therefrom anticipated for later transmission to the Congress.

\* Deduct, excess of repayments and collections over expenditures.

TABLE 10

## 1957 CURRENT ESTIMATES COMPARED WITH JANUARY BUDGET ESTIMATES

*By major function*

[In millions]

Function	New obligational authority			Budget expenditures		
	January estimate	Current estimate <sup>2</sup>	Increase (+) or decrease (-)	January estimate	Current estimate <sup>2</sup>	Increase (+) or decrease (-)
Major national security	\$39,743	\$40,327	+\$584	\$40,370	\$40,824	+\$454
International affairs and finance	2,332	2,231	-101	2,108	2,144	+36
Veterans' services and benefits	4,892	4,861	-31	4,879	4,827	-52
Labor and welfare	3,387	3,184	-203	2,995	3,001	+6
Agriculture and agricultural resources	2,872	5,103	+2,231	3,364	5,744	+2,380
Natural resources	1,121	1,187	+66	1,031	1,133	+102
Commerce and housing <sup>1</sup>	2,121	3,571	+1,450	1,271	1,970	+699
General government	1,621	1,898	+277	1,757	2,093	+336
Interest	7,066	7,156	+90	7,066	7,156	+90
Allowance for contingencies	250	225	-25	225	200	-25
Total <sup>1</sup>	65,406	69,743	+4,337	65,065	69,093	+4,028

<sup>1</sup> January estimates have been revised to exclude the Federal-aid highway program (see note 2, p. 30).<sup>2</sup> Includes 1957 appropriations or estimated expenditures therefrom anticipated for later transmission to the Congress.

TABLE 11

## 1957 CURRENT ESTIMATES COMPARED WITH JANUARY BUDGET ESTIMATES FOR BUDGET RECEIPTS

*By source*

[In millions]

Source	January estimate	Current estimate	Increase (+) or decrease (-)
Individual income taxes	\$35,118	\$37,600	+\$2,382
Corporation income taxes	20,300	21,600	+1,200
Excise taxes	9,887	10,800	+913
Employment taxes	7,585	7,465	-120
Estate and gift taxes	1,120	1,210	+90
Customs	700	725	+25
Miscellaneous receipts	2,805	3,100	+355
Subtotal	77,515	82,360	+4,845
Deduct—			
Transfer to Federal old-age and survivors insurance trust fund	6,635	6,500	-135
Transfer to highway trust fund <sup>1</sup>	815	1,500	+685
Transfer to railroad retirement trust fund	600	600	-----
Refunds of receipts	3,920	3,900	-20
Total <sup>1</sup>	65,485	69,800	+4,315

<sup>1</sup> The January estimate has been revised to reflect the transfer to the new highway trust fund of that portion of total excise taxes then estimated which would have been transferred to the highway trust fund if a separate estimate had been made at that time (\$815 million). The difference of \$685 million between the January and current estimates of the transfer to the highway trust fund results mainly from the tax increases enacted in the new highway legislation.

TABLE 12  
RÉSUMÉ OF BUDGET RECEIPTS, EXPENDITURES, AND PUBLIC DEBT

[Fiscal years. In millions]

Description	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate
<b>PART A—BUDGET RECEIPTS AND EXPENDITURES</b>					
Budget receipts:					
Individual income taxes.....	\$32,768	\$32,383	\$31,650	\$35,337	\$37,500
Corporation income taxes.....	21,595	21,523	18,265	21,297	21,500
Excise taxes.....	9,934	10,014	9,211	10,004	10,800
Employment taxes.....	4,983	5,425	6,220	7,296	7,465
Estate and gift taxes.....	891	945	936	1,171	1,210
Customs.....	613	582	606	705	725
Miscellaneous receipts.....	1,865	2,320	2,566	2,987	3,160
Subtotal.....	72,649	73,173	69,454	78,796	82,360
Deduct—					
Transfer to Federal old-age and survivors insurance trust fund.....	4,086	4,537	5,040	6,337	6,500
Transfer to highway trust fund <sup>1</sup> .....	620	603	599	634	660
Transfer to railroad retirement trust fund.....	3,118	3,377	3,426	3,684	3,900
Total <sup>1</sup> .....	64,825	64,655	60,390	68,141	69,800
Budget expenditures:					
Major national security.....	50,363	46,904	40,626	40,478	40,824
International affairs and finance.....	2,216	1,732	2,181	1,852	2,144
Veterans' services and benefits.....	4,298	4,256	4,457	4,757	4,827
Labor and welfare.....	2,426	2,485	2,552	2,776	3,001
Agriculture and agricultural resources.....	2,936	2,557	4,411	4,914	5,744
Natural resources.....	1,364	1,220	1,081	961	1,133
Commerce and housing <sup>1</sup> .....	2,612	909	1,622	2,105	1,970
General government.....	1,474	1,239	1,201	1,631	2,093
Interest.....	6,583	6,470	6,438	6,862	7,156
Allowance for contingencies.....					200
Total <sup>1</sup> .....	74,274	67,772	64,570	66,386	69,093
Budget deficit (—) or surplus (+).....	—9,449	—3,117	—4,180	+1,754	+707
<b>PART B—PUBLIC DEBT</b>					
Public debt at beginning of year.....	\$259,105	\$266,071	\$271,260	\$274,374	\$272,751
Change due to budget deficit (+) or surplus (—).....	+9,449	+3,117	+4,180	—1,764	—707
Other changes in public debt.....	—2,483	+2,072	—1,066	+131	—644
Public debt at end of year.....	266,071	271,260	274,374	272,751	271,400

<sup>1</sup> Fiscal year 1957 not comparable to prior years because of new highway trust fund (see note 2, p. 30).

<sup>2</sup> Includes an estimated \$0.5 billion not subject to the public debt limit. Also the public debt will be considerably greater than the amount shown above during some periods of the year because of the wide swing in receipts and expenditures and the heavy concentration of tax collections in the latter half of the fiscal year.

TABLE 13  
RÉSUMÉ OF NEW OBLIGATIONAL AUTHORITY BY TYPE

[Fiscal years. In millions]

Description	1953 actual	1954 actual	1955 actual	1956 actual	1957				Total (col. 6 plus col. 7)
					Recom- mended to date <sup>1</sup>	En- acted	Antici- pated for later trans- mis- sion		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
<b>CURRENT AUTHORIZATIONS</b>									
Appropriations-----	\$72,357	\$51,834	\$45,774	\$50,865	\$56,334	\$56,544	\$828	\$57,372	
Reappropriations of prior year appropriations-----	1,767	412	1,207	412	41	61	-----	61	
Authorizations to expend from debt receipts-----	1,555	3,331	3,022	3,002	2,659	4,346	100	4,446	
Contract authorizations-----	1	35	53	107	1	3	-----	3	
Subtotal-----	75,680	55,612	50,056	54,476	59,035	60,954	928	61,882	
Less portion of appropriations to liquidate prior contract authorizations <sup>2</sup> -----	3,280	781	732	942	184	170	-----	170	
Total current authorizations-----	72,399	54,831	49,325	53,534	58,851	60,784	928	61,712	
<b>PERMANENT AUTHORIZATIONS</b>									
Appropriations-----	6,918	6,810	6,819	7,335	7,612	7,610	-----	7,610	
Authorizations to expend from debt receipts-----	283	280	25	50	55	55	-----	55	
Contract authorizations <sup>2</sup> -----	708	845	908	1,152	263	366	-----	366	
Total permanent authorizations-----	7,900	7,935	7,751	8,537	7,930	8,031	-----	8,031	
Total new obligational authority-----	80,308	62,765	57,076	62,070	66,780	68,815	928	69,743	

<sup>1</sup> Includes 1957 Federal Budget recommendations and subsequent amendments transmitted to the Congress.

<sup>2</sup> Fiscal year 1957 not comparable to prior years because of new highway trust fund (see note 2, p. 30.)

**FEDERAL GOVERNMENT RECEIPTS FROM AND  
PAYMENTS TO THE PUBLIC**

The flow of money between the public and the Federal Government as a whole is shown in table 14. In this table, the transactions of the trust funds are consolidated with budget transactions in deriving the totals of receipts and payments. Transactions between the two types of funds, such as interest paid by the Treasury to trust funds, are eliminated.

Certain other noncash transactions are also eliminated in the consolidation. For example, interest which accrues on savings bonds is counted as a budget expenditure at the time of accrual. Since this interest is not paid in cash until the bond is redeemed, the consolidation eliminates the interest accruals and includes the interest paid on bonds redeemed.

A detailed reconciliation of the differences between the budget totals, and Federal Government receipts and payments, and Treasury cash deposits and withdrawals may be obtained on request from the Bureau of the Budget.

**TABLE 14**  
**FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO  
THE PUBLIC**

[Fiscal years. In billions]

Description	1953 actual	1954 actual	1955 actual	1956 actual	1957 current estimate
Budget receipts.....	\$64.8	\$64.7	\$60.4	\$68.1	\$69.8
Trust fund receipts.....	8.9	9.2	9.5	11.7	14.2
Less--					
Intragovernmental transactions.....	2.2	2.1	2.1	2.7	3.1
Seigniorage on silver.....	0.1	0.1	(*)	(*)	(*)
Total receipts from the public.....	71.5	71.6	67.8	77.1	80.8
Budget expenditures.....	74.3	67.8	64.6	66.4	60.1
Trust fund expenditures.....	5.3	7.2	8.5	9.4	11.7
Government-sponsored enterprise expenditures (net).....	-0.1	-0.4	0.1	0.3	-0.1
Less--					
Intragovernmental transactions.....	2.2	2.1	2.1	2.7	3.1
Accrued interest and other noncash expenditures (net).....	0.5	0.6	0.6	0.8	0.4
Total payments to the public.....	76.8	71.9	70.5	72.6	77.2
Excess of receipts over payments (+).....				+4.5	+3.7
Excess of payments over receipts (-).....	-5.3	-0.2	-2.7		

\*Less than \$50 million.

### GLOSSARY OF SELECTED BUDGET TERMS

**New obligational authority.** The total amount of budget authorizations to incur obligations granted to the Federal agencies for a given year by the Congress. These authorizations must precede all budget obligations and expenditures. They are usually in the form of appropriations, but also include new contract authorizations and new authorizations to spend from debt receipts, and may include some extension, for obligation in the current year, of unused authorizations from prior years which would otherwise expire.

**Obligations.** Orders placed, contracts awarded, personal services received, or other similar commitments by agencies to buy goods and services requiring the eventual payment of money (expenditures). These actions are taken by the agencies under the obligational authority granted by Congress.

**Budget expenditures.** With few exceptions these are checks issued to liquidate obligations incurred under current or previous year authorizations. Expenditures may follow obligations by a few weeks or in some cases by as much as three or more years. They exclude payments from funds held in trust and payments to retire public debt securities.

**Budget receipts.** Federal income consisting of personal and corporate taxes, excises, customs, and other revenues, less amounts refunded on previous overpayments of taxes. They exclude funds received in trust and amounts borrowed through the sale of Government securities.

**Budget surplus.** The excess of budget receipts over budget expenditures in any fiscal year.

**Budget deficit.** The excess of budget expenditures over budget receipts in any fiscal year.

**Unexpended balances of prior year appropriations.** The unexpended portions of prior year appropriations, largely obligated, which are brought forward and are currently available for expenditure. They are commitments for which actual funds were not provided in prior years and which must be met as expenditures in the current or future years.

**Trust funds.** Funds for which the Government is trustee rather than owner. The largest trust funds are for old-age and survivors insurance, unemployment insurance, Federal employees' retirement, railroad retirement, veterans' life insurance, and—starting in the fiscal year 1957—the Federal-aid highway program.

#### NOTES

1. The "actual 1956" figures for expenditures and receipts shown in this review are based on preliminary reports from collecting and disbursing agencies. Final reports from these agencies, including figures on some overseas transactions not yet available, will be published at a later date.
2. Public Law 627, 84th Congress, provides that certain receipts from excises on motor fuels, tires, and vehicles shall go into a trust fund from which Federal-aid highway expenditures will be made in 1957 and succeeding years. Previously, all receipts and expenditures of this nature were included in the budget totals. To this extent the 1957 estimates of budget receipts, budget expenditures, and new obligation authority are not comparable to the figures for previous years. The amounts involved are (in millions) :

<i>Fiscal year</i>	<i>Budget receipts</i>	<i>Budget expenditures</i>	<i>New obligation authority</i>
1953-----	\$906	\$509	\$585
1954-----	855	531	585
1955-----	977	595	885
1956-----	1,055	740	885
1957 (estimate)-----	\$1,500	\$1,150	

3. Figures shown for agencies in tables 7 and 8 have been adjusted for comparative purposes to reflect major reorganizations and other actions approved by the Congress, except for the Reconstruction Finance Corporation for which no distribution into present classifications is possible prior to 1955, and the highway program as explained in note 2.

4. The detail in the various tables of this review may not add to the totals shown because of rounding.

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